



**VIRGINIA REAL ESTATE APPRAISER BOARD NEWSLETTER**

***THE VIRGINIA APPRAISER***

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DEPARTMENT OF PROFESSIONAL & OCCUPATIONAL REGULATION

***DPOR Website***

Trying to find a copy of the Real Estate Appraiser Board Regulations? Looking for an Application?

The Department of Professional and Occupational Regulation has developed a website to help licensees and the public find these and other real estate appraiser related documents.

The Department's Internet Address is [www.state.va.us/dpor](http://www.state.va.us/dpor). By selecting "Boards and Regulations", items such as the Real Estate Appraiser Board Regulations, Real Estate Appraiser Licensing Fees, or filing a complaint may be found. If you select "Forms", you can access all other forms relevant to the Real Estate Appraiser Board.

Also, information may be displayed and printed pertaining to Board Meetings, Board Members, and newsletters. You can even find the form to let the Board know when you have a change of address.

The most recent addition to the Department's website is a regulant and firm look-up feature that allows 24 hour access to the licensing, certification and registration information for all of its regulants and firms. Anyone can locate an individual or a firm, provided they know the name or license number, and can obtain the city and state of residence, the original date of licensure and the current expiration date.

PLEASE NOTE: Two formats may be provided for

Microsoft Word version is the slower of the two formats to print. The Adobe Acrobat Reader.PDF version must be printed as a blank form before being filled in manually. The .PDF version also requires the presence of the Adobe Acrobat Reader software before displaying the application. If you do not have Adobe Acrobat Reader installed, you may download and configure the copy found on the Department's site in order to view and print these and other .PDF formatted files on the Web.

The Real Estate Appraiser Board and the Department of Professional and Occupational Regulation are continually working to revise and expand the Department's website to provide more features and convenience to licensees and the public. Please check the website periodically to determine what new services and information have been added.

***Instructor Training***

The Board held the 1999 Instructor Training Session on October 26. The session was well attended, with most of the 53 certified instructors in attendance. Those instructors that hold Virginia appraiser licenses were given continuing education credit for their attendance. The session was conducted by Board Chair Joe Durrer. The Board plans to conduct a training session each year.

**USPAP** - The Board sends a copy of USPAP to licensees every year during the month they renew. USPAP is available on the Appraisal Foundation's

## *Investigative Updates*



Since May of 1999, the Board has closed seven cases with a violation.

**98-00929** - \$2,000 fines, \$300 costs and a one year inoperative suspension for violation of § 4.3.2.4 (reporting of appraisal) of the 1995 regulations; and corresponding USPAP violations.

**99-00168** - \$750 fine, \$300 costs and surrender of license for violation of 18 VAC 130-20-180.D (development of appraisal); 18 VAC 130-20-180.E (reporting of appraisal); and corresponding USPAP violations.

**99-00245** - \$400 fine, \$300 costs and submission of reports on a quarterly basis for a period of one year for violation of 18 VAC 130-20-180.D (development of appraisal) and 18 VAC 130-20-180.E (reporting of appraisal); and corresponding USPAP violations.

**99-00557 and 99-00558** - \$300 costs and submission of reports on a monthly basis for seven months for violation of 18 VAC 130-20-180.D (development of appraisal, six counts); 18 VAC 130-20-180.E (reporting of appraisal, six counts); and corresponding USPAP violations.

**99-00606** - \$1,200 fine and nine month suspension of license for violation of 18 VAC 130-20-180.D (development of appraisal, two counts); 18 VAC 130-20-180.E (reporting of appraisal, two counts); and corresponding USPAP violations.

**99-00563** - \$300 costs and six-month inoperative suspension for violation of 18 VAC 130-20-180-D (development of appraisal); and corresponding USPAP violations.

that the issue is a competency issue, therefore the Competency Provision of USPAP applies. The VC form is extensive, yet it is simply an added requirement for a licensed appraiser to complete if appraising a residence for HUD. Thus, it is the choice of the licensed appraiser to determine whether he is competent to complete the form. The Board reiterates that all appraisals, including any addenda, must be prepared in accordance with USPAP.

## *Drive-By Appraisals*

The last issue of *The Virginia Appraiser* contained an article entitled “Drive-By Appraisals.” This article was reprinted with the permission from the Illinois Office of Banks and Real Estate, Appraisal Division. The Board office received many inquiries about drive-by appraisals after this article was published. Again, the Board reiterates that all appraisal reports must be prepared in accordance with USPAP.

## *?? Questions and Answers ??*

*These questions and answers have been copied from ASB publications. The responses are based on presumed conditions without investigations or verification of actual circumstances. There is no assurance that the responses represent the only possible solution to the problems discussed or apply equally to seemingly similar situations. For further information, contact the ASB at 202-347-7722.*

**Q** What standard rule have I departed from when I don't inspect the interior of the subject property?

**A** USPAP has no specific requirements for inspecting a property's interior. Standards Rule 1-1(b) requires an appraiser to “not commit a substantial error of omission or commission that significantly affects an appraisal.” The Comment to that Rule also states:

*In performing appraisal services, an appraiser must be certain that the gathering of factual information is*

*and intended use of the appraisal*". If an interior inspection is not relevant, it is not required. Determining whether an interior inspection is relevant is a scope-of-work decision, as described in Standards Rule 1-2(f). The Comment to that standard rule states:

*An appraiser must not allow assignment conditions or other factors to limit the extent of research or analysis to such a degree that the resulting opinions and conclusions developed in an assignment are not credible in the context of the intended use of the appraisal.*

However, if information about the property interior is relevant, but impossible to ascertain by personal inspection, the Comment to Standards Rule 1-2(e) requires an appraiser to:

- *obtain the necessary information before proceeding, or*
- *where possible, in compliance with Standards Rule 1-2(g), use an extraordinary assumption about such information.*

Additional guidance about inspecting properties may be found in Advisory Opinion 2, "Inspection of Subject Property Real Estate", Advisory Opinion 5, "Assistance in the Preparation of an Appraisal", and Advisory Opinion 15, "Using the Departure Provision in Developing a Limited Appraisal."

**Q** What is the difference between a binding requirement and a specific requirement in USPAP?

**A** The difference is that binding requirements are absolute (i.e., compliance with the Standards Rule is required in every assignment), while specific requirements are conditional (i.e., compliance with the Standards Rule depends on specific assignment circumstances).

In the DEFINITIONS section of USPAP, these terms are defined as follows:

**"BINDING REQUIREMENTS:** all or part of the Standards rule of USPAP from which departure is not

**Q** I have been asked by a client to prepare a Restricted Use Appraisal Report that he plans to provide to another party. Does USPAP allow me to use this report option in such a circumstance?

**A** No. The Comment to Standards Rule SR 2-2 states, "*When the intended users do not include parties other than the client, a Restricted Use Appraisal Report may be provided.*" In other words, this particular report option may only be used when the client is the only intended user.

The reason underlying this use restriction is that the client is assumed to have a sufficient level of knowledge about the subject property to enable him or her to understand a report of this type. If other intended users were to be given such an abbreviated report, they could easily misunderstand it and potentially be misled.

**Q** Can I authorize someone else to sign an appraisal report for me, using my signature? If so, could you identify what steps I must take to do this correctly?

**A** USPAP does not specifically state that the appraiser can only personally sign a report. It does state that the signature be "personalized evidence indicating authentication" and requires the appraiser to have "sole personalized control of affixing the signature".

Standard Rule 2-3 states, "*Each written real property appraisal report must contain a signed certification...*"

In the DEFINITIONS section of USPAP, a SIGNATURE is defined as:

*"personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses, and the conclusions in the report.*

Comment: *A signature can be represented by a handwritten mark, a digitized image controlled by a personalized identification number, or other media, where the appraiser has sole personalized control of affixing the signature."*